IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

ARBITRATION PETITION NO.42 OF 2004

Mr Rajesh Agrawal ...Petitioner

v/s

Union of India ...Respondents

Mr V.S. Samudrala for Petitioner.

Mr T.J. Pandian for Respondents.

CORAM : D.K. DESHMUKH J.

DATE : 4TH MAY 2006.

P.C. :-

1. By this petition filed under section 34 of the Arbitration and Conciliation Act 1996, the petitioner is challenging the award in so far as it rejects the claim of the petitioner for pendente lite interest on the amount awarded. Perusal of the award shows that the learned Arbitrators have declined to grant pendente lite interest only because of clause 16.2 of the General Conditions of Contract. It is pointed out by the learned counsel that a clause identical to clause 16.2 of the General Conditions of Contract has been considered by this Court in its judgment in arbitration petition No.274 of 2005 (Union of India v/s M/s Krafters Leasing) decided on 6th December 2005 and this Court has held that the clause does not prevent Arbitrator from granting pendente lite interest. The learned counsel pointed out that that judgment of the Single Judge has been confirmed by Appeal Court by judgment in appeal No.219 of 2006 dated 24th April 2006. I have perused both the judgments and the award. It is clear that the learned Arbitrators could not have declined to allow interest pendente lite only because of clause 16.2 of the General Conditions of Contract. The award to that extent is set aside. Petition is disposed off with no order as to costs.

. Parties to act on the copy of this order duly authenticated by the Associate / Private Secretary as true copy.

. Certified copy expedited.